

REH' MA COMMUNITY SERVICES O/A REH' MA FOUNDATION
FINANCIAL STATEMENTS
DECEMBER 31, 2012

REHMA COMMUNITY SERVICES O/A REHMA FOUNDATION

FINANCIAL STATEMENTS**DECEMBER 31, 2012**

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Alaudin A. Jamal

CPA, CA, B.Sc. (Econ), FCA (Eng)

Licensed Public Accountant
Professional Corporation



Member of
The Institute of Chartered Accountants of Ontario

INDEPENDENT AUDITOR'S REPORT

To the Members of
Reh'ma Community Services O/A Reh'ma Foundation

We have audited the accompanying financial statements of Reh'ma Community Services O/A Reh'ma Foundation, which comprise the statement of financial position as at December 31, 2012, December 31, 2011 and January 1, 2011, and the statements of operations and changes in net assets and cash flows for the years ended December 31, 2012 and December 31, 2011, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT (continued)

Opinion

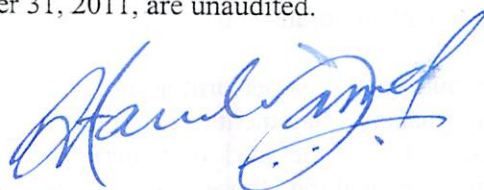
In our opinion, the financial statements present fairly, in all material respects, the financial position of Reh'ma Community Services O/A Reh'ma Foundation as at December 31, 2012, December 31, 2011 and January 1, 2011, and the results of its operations and its cash flows for the years ended December 31, 2012 and December 31, 2011 in accordance with Canadian accounting standards for not-for-profit organizations.

Comparative Information

Without modifying our opinion, we draw attention to note 3 to the financial statements which describes that Reh'ma Community Services O/A Reh'ma Foundation adopted Canadian accounting standards for not-for-profit organizations on January 1, 2012 with a transition date of January 1, 2011. These standards were applied retrospectively by management to the comparative information in these financial statements, including the balance sheets as at December 31, 2011 and January 1, 2011, and the statements of operations and changes in net assets and cash flows for the year ended December 31, 2011 and related disclosures. We were not engaged to report on the restated comparative information, and as such, it is unaudited.

Other Matter

The balance sheets as at December 31, 2011 and January 1, 2011, and the statements of operations and changes in net assets and cash flows for the year ended December 31, 2011, are unaudited.



Alaudin A. Jamal Professional Corporation

Authorized to practise public accounting

by the Institute of Chartered Accountants of Ontario

Markham, Ontario
March 15, 2013

REH'MA COMMUNITY SERVICES O/A REH'MA FOUNDATION

STATEMENT OF FINANCIAL POSITION

	December 31, 2012	December 31, 2011	January 1, 2011
ASSETS			
CURRENT			
Cash	\$ 6,074	\$ 22,471	\$ 48,226
Term deposits	16,080	89,388	91,952
HST refund receivable	2,133	-	-
Prepaid expenses	1,066	955	-
	25,353	112,814	140,178
PROPERTY, PLANT AND EQUIPMENT (Note 5)	6,001	8,572	450
TOTAL ASSETS	\$ 31,354	\$ 121,386	\$ 140,628

LIABILITIES AND FUND BALANCES

CURRENT			
Accounts payable and accrued liabilities	\$ 113	\$ 5,957	\$ 113
Deferred project funds	-	65,633	97,244
	113	71,590	97,357
GENERAL FUND BALANCE per page 4	31,241	49,796	43,271
TOTAL LIABILITIES AND FUND BALANCES	\$ 31,354	\$ 121,386	\$ 140,628

On behalf of the Board

 Member

 Member

See accompanying notes to financial statements
Subject to independent auditor's report dated March 15, 2013

3.

Alaudin A. Jamal Professional Corporation, Chartered Accountants

IRRHMA COMMUNITY SERVICES O/A IRRHMA FOUNDATION**STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS**

YEAR ENDED DECEMBER 31	2012	2011
REVENUES		
Donations	\$ 12,689	\$ 7,557
Income from activities	15,320	27,480
Interest income	329	1,060
Membership income	210	-
Grant income	118,833	123,962
Miscellaneous income	8,353	1,657
	155,734	161,716
EXPENDITURES		
Amortization	2,572	1,513
Donations	-	103
Program expenses	127,240	81,079
Insurance	1,491	3,158
Bank charges	185	256
Legal and professional	15,356	563
Memberships and dues	350	350
Office and general	1,498	2,001
Office facilities	994	9,228
Salaries, benefits and administration fees	20,741	55,095
Stationary and supplies	79	18
Telephone	-	105
Travel	3,783	1,271
	174,289	154,740
(Deficiency) excess of revenues over expenditures before undernoted item	(18,555)	6,976
Other expense		
Loss on sale of property, plant and equipment	-	450
Net (deficiency) surplus for the year	(18,555)	6,526
General Fund Balance, beginning of year	49,796	43,270
General Fund Balance, end of year	\$ 31,241	\$ 49,796

See accompanying notes to financial statements
Subject to independent auditor's report dated March 15, 2013

4.

Alaudin A. Jamal Professional Corporation, Chartered Accountants

IREH'NA COMMUNITY SERVICES O/A IREH'NA FOUNDATION**STATEMENT OF CASH FLOWS**

YEAR ENDED DECEMBER 31	2012	2011
OPERATING ACTIVITIES		
(Deficiency) excess of revenues over expenditures	\$ (18,555)	\$ 6,526
Adjustment for Amortization	2,572	1,513
	(15,983)	8,039
Change in non-cash working capital items		
Term deposits	73,308	2,564
HST refund receivable	(2,133)	-
Prepaid expenses	(111)	(955)
Accounts payable and accrued liabilities	(5,845)	5,843
Deferred project funds	(65,633)	(31,611)
	(16,397)	(16,120)
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	-	(10,085)
Proceeds on disposal of property, plant and equipment	-	450
	-	(9,635)
DECREASE IN CASH	(16,397)	(25,755)
CASH, beginning of year	22,471	48,226
CASH, end of year	\$ 6,074	\$ 22,471

NOTES TO THE FINANCIAL STATEMENTS**DECEMBER 31, 2012****1. NATURE OF OPERATIONS****a. Incorporation**

Reh'ma Community Services O/A Reh'ma Foundation was incorporated by letter Patent under the Ontario Corporations Act on March 7, 2000 without share capital to carry on its operations without pecuniary gain to its Trustees and Directors any profit or any accretions to be used in promoting its objects.

b. Operations

The objects for which the corporation was incorporated are :

1. Fostering and advancing the interest of the elderly in all aspects of daily life.
2. Organizing services, programs and activities for the elderly in Canada.
3. Encouraging and carrying on social and welfare work for the benefit of elderly and battered families with domestic violence in Canada.
4. Co-coordinating and complementing the activities of the corporation with those of similar organizations, societies and individuals in Canada.
5. To encourage and promote volunteerism and community support network and such other complementary purpose not inconsistent with these objects.

The operations of the organization may be carried on through out Canada.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The organization applies the Canadian accounting standards for not-for-profit enterprises.

(a) Basis of accounting

The organization follows the deferral method of accounting for contribution which include grant from government, donation, membership and income from activities. Grants are included as deferred revenue and are recognized as revenue in the year in which all related expenses for the grants are made.

(b) General operating fund balance

The general fund can be utilized by the organization for the attainment of its objectives to the extent that the same may be lawfully be carried out by a non-profit corporation.

In the event of dissolution or winding up of the organization all its remaining assets after payment of its liabilities would be distributed to Council of Muslim Community Canada or any Canadian Islamic Charitable organization.

(c) Revenue recognition

Revenue from activities are recognized when the services are delivered with persuasive evidence that collection is reasonably assured. Membership fees are recognized in the year in which they are received. Unrestricted amounts are recognized as revenue in the year in which they are received.

(d) Contributed services

Volunteers contributed time to assist the Society in carrying out its music program. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (continued)**DECEMBER 31, 2012**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**(e) Use of estimates**

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty. The effect of changes in such estimates on the financial statements in future periods could be significant. Accounts specifically affected by estimates in these financial statements are .

(f) Tax-exempt status

The organization is to operate as a non-profit benevolent, charitable organization and its is intended that the organization will qualify at all times as exempt from income taxes under paragraph 149(1)(I) of the Income Tax Act as amended from time to time.

(g) Property, plant and equipment

Property, plant and equipment are recorded at cost. The organization provides for amortization using the following methods at rates designed to amortize the cost of the property, plant and equipment over their estimated useful lives. The annual amortization rates and methods are as follows:

Vehicles	30% Declining balance
Computer equipment	30% Declining balance

3. IMPACT OF THE CHANGE IN THE BASIS OF ACCOUNTING

Effective January 1, 2012, the organization elected to apply the standards in Part III of the CICA Accounting Handbook for not-for-profit organizations in accordance with Canadian Accounting Standards for Not-for-profit organizations. This framework is in accordance with Canadian GAAP.

These are the first financial statements prepared in accordance with this new framework which has been applied retrospectively. The accounting policies set out below have been applied in preparing the financial statements for the year ended December 31, 2012, the comparative information for the year ended December 31, 2011 and in the preparation of an opening balance sheet as at January 1, 2011, which is the organization's date of transition.

The organization previously issued financial statements for the year ended December 31, 2011 using generally accepted accounting principles prescribed by Part V of the CICA Handbook.

The adoption of ASNPO has had no impact on the previously reported assets, liabilities and net assets of the organization, and accordingly, no adjustments have been recorded in the comparative statement of financial position, statement of operations and statement of cash flow. Certain of the organization's presentation and disclosures included in these financial statements reflect the new presentation and disclosure requirements of ASNPO.

NOTES TO THE FINANCIAL STATEMENTS (continued)

DECEMBER 31, 2012

4. FINANCIAL INSTRUMENTS

(a) Fair value

The fair value of current financial assets and current financial liabilities approximates their carrying value due to their short-term maturity dates. The fair value of long-term financial liabilities approximates their carrying value based on the presumption that the organization is a going concern and thus expects to fully repay the outstanding amounts.

(b) Currency risk

As all the transactions of the corporation are in Canadian dollar, there is no currency risk exposure.

5. PROPERTY, PLANT AND EQUIPMENT

	December 31, 2012		December 31, 2011		January 1, 2011	
	Cost	Accumulated amortization	Net	Net	Net	Net
Vehicles	\$ 10,085	\$ 4,084	\$ 6,001	\$ 8,572	\$ -	
Computer equipment	-	-	-	-		450
	\$ 10,085	\$ 4,084	\$ 6,001	\$ 8,572	\$ 450	